

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 98-892

May 9, 2001

PUBLIC UTILITIES COMMISSION  
Investigation Into the Rates of  
Cobbooseecontee Telephone Company  
Pursuant to 35-A M.R.S.A. § 7101-B

ORDER APPROVING  
STIPULATION

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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## **I. SUMMARY**

In this Order we approve a Stipulation between the Public Advocate (OPA) and Cobbooseecontee Telephone Company. The stipulation settles the pending rate investigation for Cobbooseecontee. The Stipulation provides that on May 30, 2001, Northland Telephone Company (Northland) will lower its intrastate access rates by \$60,000, its premium residential local exchange service rate from \$17 to \$16.06, and will eliminate its existing surcharge of 10 cents for each toll call.

## **II. BACKGROUND AND DECISION**

On November 24, 1998, we opened an investigation into the rates of Cobbooseecontee Telephone Company in light of the Company's need to reduce its access charges in compliance with the requirements of 35-A M.R.S.A. § 7101-B.

The procedural history of this case is set forth in the Stipulation.

On April 24, 2001, the Public Advocate and Cobbooseecontee filed a stipulation to resolve all issues in the six rate proceedings. Under the Stipulation, the basic service rates for residential customers will decrease from \$17 to \$16.06, i.e., to the present level of Verizon rates for similar calling areas. Basic service rates for business customers are not changed. The Company will also reduce its access rates but not all the way to the levels of their interstate access charges filed as part of the NECA Tariff No. 5. The Stipulation further provides that the Company will not be required to further reduce its intrastate access rates prior to May 30, 2003.

We have established as a Commission goal that all independent telephone companies reduce their access charges to the level of their interstate rates (established in the NECA 5 tariff on file with the FCC) by May 30, 2001. We also have recognized that some companies would not be able to do so, and also continue to maintain rates that are both affordable and comparable to those charged by Verizon for similar calling areas. We recently issued a Notice of Rulemaking to establish a high cost universal service fund for those ITCs that are not able to reduce access rates to NECA 5 and

simultaneously maintain basic rates that were affordable and comparable to Verizon rates. We proposed that, if we determine that a company needs high cost universal fund support, it should establish Verizon-comparable rates within three years following that determination. When we establish the high-cost fund, we expect that Cobbosseecontee will apply for such support so that it may reduce their access rates to NECA 5 levels.

In approving a stipulation, we consider whether the parties joining the stipulation represent a sufficiently broad spectrum of interests, whether the process leading to the stipulation was fair and whether the stipulated result is reasonable and not contrary to legislative mandate. See e.g., *Consumers Maine Water Company, Proposed General Rate Increase of Rockland and Hartland Divisions*, Docket No. 96-739 (July 3, 1997) at 2. The Public Advocate represents the using and consuming public, in this case the customers of the six companies. Verizon and the Telephone Association of Maine (TAM) intervened, and, although neither signed the Stipulation, neither objected to it.

We believe a fair process has occurred, and all interested parties have had an opportunity to participate. We also find that the proposed Stipulation adequately resolves the revenue requirement and rate design issues in these cases. We will therefore allow the Cobbosseecontee to implement the rates contained in the Stipulation.

Accordingly, we

#### O R D E R

1. That the Stipulation (attached to this Order) filed on April 24, 2001 is approved and incorporated into this order.

2. That Cobbosseecontee Telephone Company named above shall file rate schedule pages that comply with the terms of the Stipulation.

Dated at Augusta, Maine, this 9<sup>th</sup> day of May, 2001.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:      Welch  
   Nugent  
   Diamond

**NOTICE OF RIGHTS TO REVIEW OR APPEAL**

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.